

## ATTACHMENT A

### Navajo Transit System

#### SECTION 1. SERVICE AREA

The service area shall be the Navajo Reservation in Arizona and New Mexico with routes extending to the off-reservation community of Gallup, New Mexico, plus State Route 264 through the Hopi Reservation in Arizona.

#### SECTION 2. PROJECT SUMMARY

The Contractor will provide daily, Monday through Friday, fixed schedule, fixed route public transportation between Navajo Nation growth centers and border towns for purposes of employment, health and social services, consumer purchases and educational purposes. The primary growth centers are also the employment, health and social service centers for members of the Navajo Nation.

#### SECTION 3. ROUTES AND SCHEDULES

Routes and schedules shall be as described in the Contractor's approved application for funding.

#### SECTION 4. FARES

The fares shall be as described in the Contractor's schedule.

If fare revenues fall below 22% of combined operating and administrative costs, the Contractor agrees to make up the difference from local funds. If, however, the contractor cannot make up the difference from local funds and or, if the contractor has not performed with contract schedule of activities, ADOT may deduct the difference from the Operating and or Administrative Federal Share.

Any fares collected will be applied toward the reduction of contract operational costs. If operational costs are funded completely from collected fares, any excess fares will be used to reduce the federal share of contract administrative costs.

SECTION 5.        COST ALLOCATION

Since the PROJECT vehicles may also be used for non-PROJECT purposes, the Contractor agrees to keep accurate vehicle mileage logs to distinguish between PROJECT and non-PROJECT mileage. ADOT will reimburse vehicle related operating expenses in proportion not to exceed the number of actually driven PROJECT miles as a percentage of the total miles. Charter services must be separated from mass transit services. No reimbursements may be made for charter services.

SECTION 6.        EQUIPMENT AND MAINTENANCE

The Contractor shall provide the service with 6 MCI-5 diesel coaches and other rolling stock as may be obtained. All preventative maintenance and most minor repairs will be performed by the Navajo Transit Shop located in Ft. Defiance. Repairs that cannot be performed by the Navajo Transit System will be performed by outside repair shops approved by the Navajo Tribe's purchasing department.

SECTION 7.        SCHEDULE OF ACTIVITIES

The Contractor agrees to complete the following activities. Reports documenting the completion of these activities shall be submitted to ADOT by the dates shown below. ADOT may withhold reimbursements for administrative expenses if the schedule is not met by the Contractor.

ACTIVITY	DEADLINE FOR REPORT SUBMISSION TO ADOT
1. Minutes of Transit Advisory Committee	January 1, 1994 April 1, 1994 July 1, 1994 September 30, 1994
2. Annual Disadvantaged Business Enterprise Plan	May 1, 1994
3. Three Year Transit Plan, including marketing element	Draft - April 1, 1994 Final - June 1, 1994
4. Private Sector Policies/Procedures	March 1, 1994